



TOGETHER, WE GROW – AGAIN!

# Municipality of Thames Centre Official Plan Review

## Discussion Paper: Housing Policies

April 2022

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## Introduction

The designated Urban Settlement Areas of Dorchester and Thorndale are intended to be the primary focus of future growth and development opportunities the Municipality. Both areas contain the highest concentration and mix of land uses including housing and both have municipal water and wastewater services capable of accommodating new development, being the highest level and preferred method of servicing following direction from the Province.

The Municipality also contains nine (9) designated Hamlet Settlement Areas including Avon, Crampton, Gladstone, Harrietsville, Mossley, Nilestown, Putnam, Waubuno and Wellburn. They are characterized by smaller populations consisting of residential areas with limited commercial, industrial or institutional function. Under the Official Plan, development opportunities in these hamlet areas are limited considering there are no municipal services available. The cost required to provide such services would be financially unfeasible.

This Discussion Paper has been prepared to provide a background of the current housing policies to be considered during Thames Centre's Official Plan Review. This paper also highlights several topics of interest related to housing in the Municipality including an analysis of the current housing supply and demand and concludes with recommended next steps for the Official Plan Review.

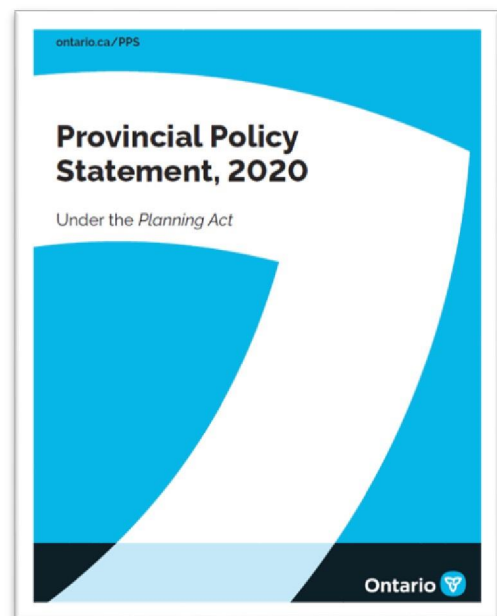
## Policy Background

Housing policies that inform the Thames Centre Official Plan come from the direction of the Province of Ontario through the Provincial Policy Statement and the County of Middlesex through their Official Plan. This section will provide an overview of that policy context in relation to housing policies.

### Provincial Policy Statement (2020)

The Provincial Policy Statement (PPS), issued under the Planning Act, lays out the foundation for land use planning in Ontario with respect to matters of provincial interest, including housing. The policies that are set out in the PPS pertain to building strong healthy communities, the wise use and management of resources, and protecting public health and safety. As an important tool to describe the policies within the PPS at a local level and with local context, the Thames Centre Official Plan is required to be consistent with the PPS. This includes ensuring that the updated Official Plan provides planning strategies for the next 25 years. (Ministry of Municipal Affairs and Housing, 2020)

The provision of housing is a key component of the PPS which seeks to encourage strong, sustainable and resilient communities for people of all ages while protecting the environment, public health and safety, and facilitating



economic growth. The PPS seeks to achieve this objective by ensuring that not only a wide range of housing options are available to meet current and projected needs but that the necessary infrastructure is in place and efficiently used to meet changing needs.

The PPS stipulates that healthy, liveable and safe communities are sustained by accommodating an appropriate affordable and market-based range and mix of residential types (including single-detached, additional residential units, multi-unit housing, affordable housing and housing for older persons). To provide for an appropriate range and mix of housing options and densities required to meet projected requirements of current and future residents, planning authorities shall maintain at all times the ability to accommodate residential growth for a minimum of 15 years through residential intensification, redevelopment and in designated growth areas. The findings in this regard are in the housing assessment section found later in this Discussion Paper.

The PPS also requires a minimum 3-year supply of residential units available through lands suitably zoned to facilitate residential intensification and redevelopment, as well as draft approved and registered plans. The findings in this regard are in the housing assessment section found later in this Discussion Paper.

Settlement area expansions under the PPS can only occur at the time of a comprehensive review and only where it has been demonstrated that sufficient opportunities to accommodate growth and to satisfy market demand are not available through intensification, redevelopment and designated growth areas to accommodate projected needs over the identified planning horizon (being the next 25 years), provided the evaluation criteria is satisfied including infrastructure and public service facilities being available or planned for the development over the long term and the assessment for prime agricultural areas is met. The findings in this regard are in the housing assessment section found later in this Discussion Paper.

### County of Middlesex Official Plan

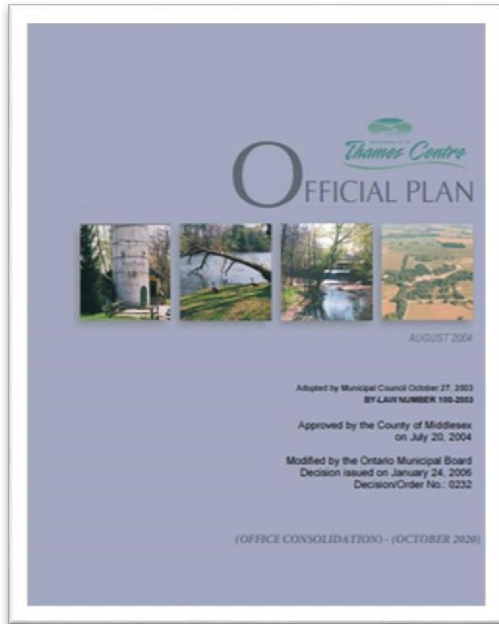
The County of Middlesex is an upper-tier government comprised of eight local municipalities, including Thames Centre. The County has an Official Plan that directs land use planning policy on a broad basis and is intended to set forth an upper tier policy foundation to provide policy direction to local municipalities in the development of local Official Plans and Zoning By-laws (County of Middlesex, 2021). Currently, the County is undergoing an Official Plan update to ensure that the policies within the Official Plan are consistent with the PPS.

Both Dorchester and Thorndale are designated as Urban Settlement Areas under the County of Middlesex Official Plan being the highest concentration and intensity of land uses in the County. They are the focus for future growth in the Municipality and are expected to accommodate a significant portion of projected growth over the planning period due to their ability to provide full municipal services.





The County Plan encourages a wide range of housing types, size and tenure to meet projected needs of current and future residents of Middlesex County. To achieve this objective, local municipalities are required to support intensification and redevelopment opportunities and housing accessible to low to moderate income households. In this regard, the County requires that 15 percent of all development occur by means of intensification and redevelopment and that 20 percent of all housing be affordable (equivalent to in the case of home ownership), being at least 10 percent below the average purchase price of a resale unit in the regional market area.



### Thames Centre Official Plan

Existing policies primarily direct residential growth and development opportunities to the Urban Settlement Areas of Dorchester and Thorndale where municipal water and municipal sewage services are available. These communities contain the highest concentration and mix of land uses within the Municipality. To a lesser extent, limited development and growth opportunities are available within Hamlet Settlement Areas considering individual wells and septic systems are required.

Following the direction of the PPS and the County Plan, the Thames Centre Official Plan encourages the development of a greater variety of housing types, sizes and tenures. In particular, the Plan supports housing types that promote continuum of lifestyle to allow residents to remain within the community throughout the course of their lives. This would include opportunities for low density residential

development in the form of single-detached, semi-detached, duplex and tri-plex housing. The Plan also encourages opportunities for medium density residential uses including townhouses, horizontal multiples and low-rise apartments (3 storeys or less). The Plan also encourages the addition of a second dwelling either within a single-detached, a semi-detached, or townhouse dwelling unit; or within an accessory building (i.e. detached garage) located on the same lot.

Consistent with the County Plan, the 15 percent target for all housing opportunities must be in the form of intensification and redevelopment. Furthermore, the Municipality is also required to meet the 20 percent affordable housing target imposed by the County.

### Housing Assessment

The following assessment provides a review of the residential supply inventory, a housing forecast and the anticipated residential land needs to the year 2046 to determine the Municipality's capacity to accommodate future housing growth.

## Housing Supply

The supply of housing is provided in **Table 1** below and broken down according to development status for the entire Municipality. As of April 2022, a total of 2,716 housing units were identified within the development approvals process including preliminary submissions. This includes final approved, draft plan approved, proposed applications as well as concepts. The following observations are worth noting:

- Dorchester accounts for just over 74% of the total residential housing supply in Thames Centre over the short and long term, with Thorndale taking up the balance.
- Both Dorchester and Thorndale are however more evenly split with short-term housing supplies of approximately 500 and 450 units, respectively, which are classified as being final approved or draft plan approved.
- Hamlet areas only account for less than 1 percent of the housing potential being 5 housing units in regards to a draft plan of subdivision situated in Nilestown. This is not surprising considering there are no municipal services in hamlet areas which have growth opportunities limited to infilling and intensification.
- Thames Centre's future potential housing supply includes 62% comprised of singles and semi-detached units, 28% comprised of townhouse units and 10% comprised of apartment units. This represents a significant shift in the housing market considering the 2016 Statistics Canada Profile for Thames Centre indicates 92% for singles and semi-detached units, 1% for townhouse units and 3.5% for apartment units.

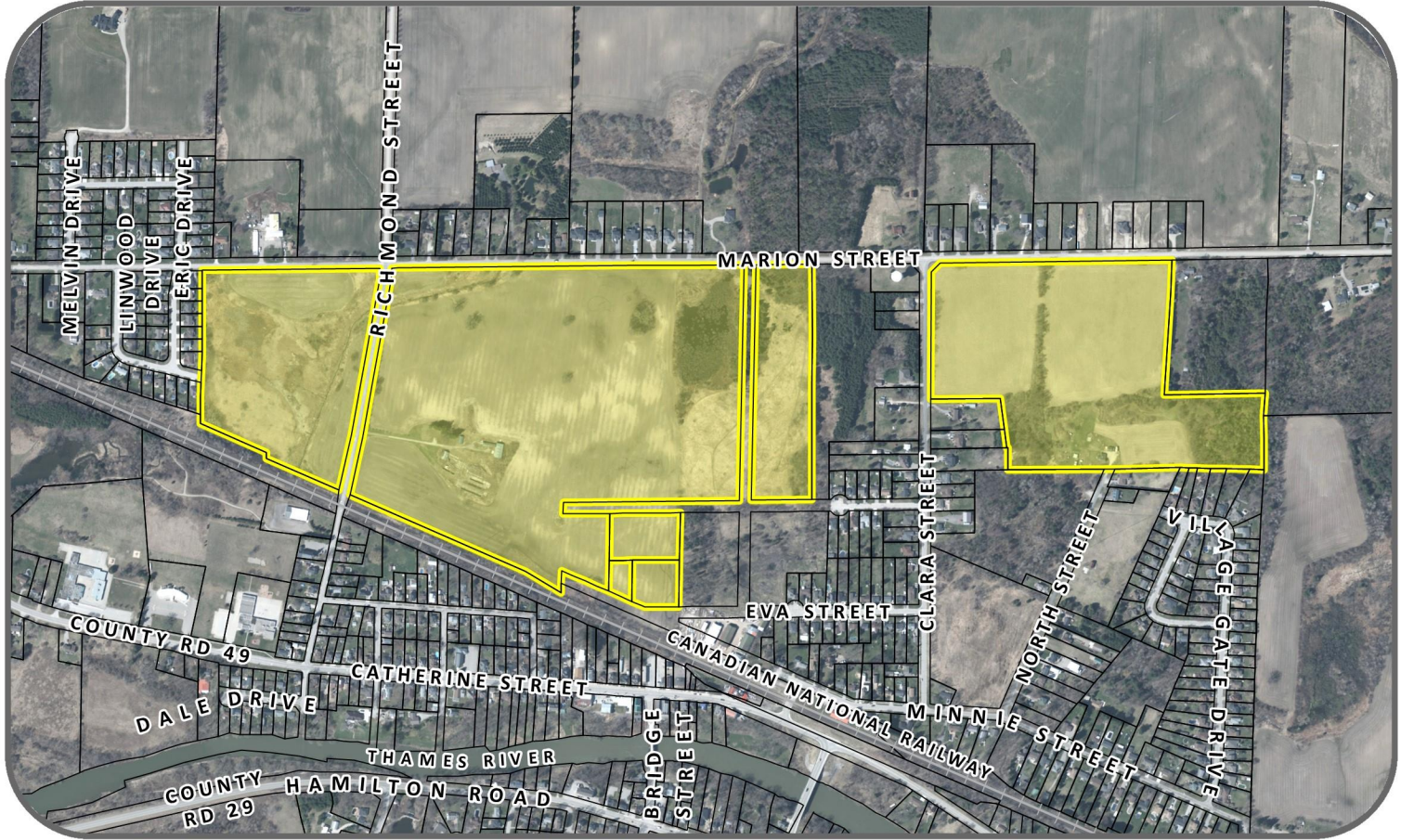
**Table 1- Total Housing Potential, Municipality of Thames Centre**

Subdivision Status	Total Housing Potential			Total
	Singles & Semi	Townhouse Units	Low Rise Apartments	
Final Approved	126	0	0	126
Draft Plan Approved	658	0	0	658
Proposed	343	397	232	972
Preliminary	555	350	55	960
<b>Total</b>	<b>1,682</b>	<b>747</b>	<b>287</b>	<b>2,716</b>
<b>Percentage Share</b>	<b>62%</b>	<b>28%</b>	<b>10%</b>	<b>100%</b>

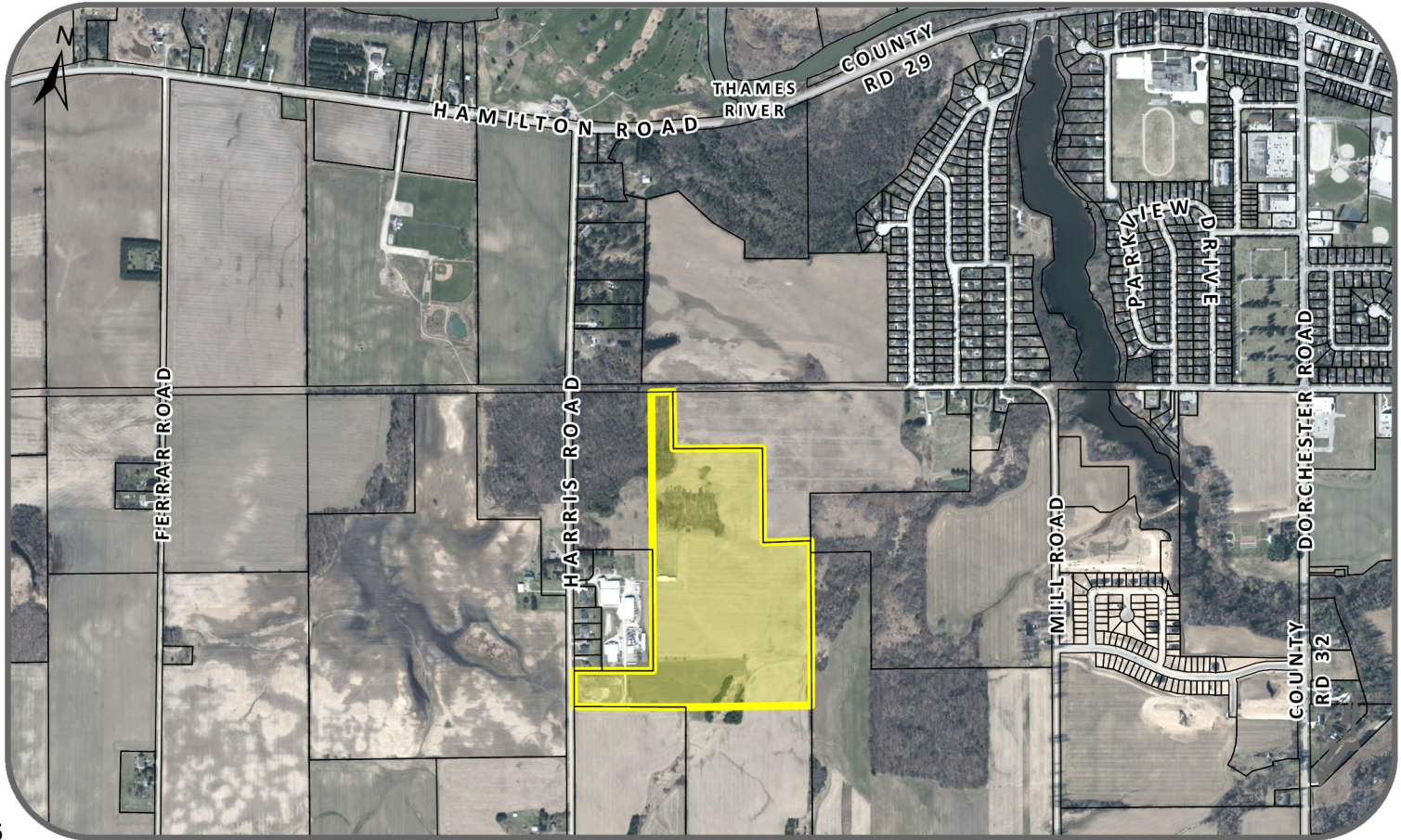
In addition to the foregoing inventory, there are also vacant lands designated Residential that are not within the development approvals process including preliminary submissions. These lands are limited to Dorchester on both sides of the Thames River and account for a total of 83 hectares of land as shown on **Figure 1** below. This total however needs to be discounted by 25% to exclude environmental features (woodlots, floodplains) which cannot be developed. As a result, the 83 hectares of gross land represents 62 hectares of net land. Applying a density of 13 units per hectare, this would translate into an additional 806 housing units over the long-term.



**Figure 1- VACANT RESIDENTIAL LAND SUPPLY**  
**NORTH SIDE OF THE THAMES RIVER, DORCHESTER**



**SOUTH SIDE OF THE THAMES RIVER, DORCHESTER**





**Table 2- Total Residential Supply, Municipality of Thames Centre**

	Development Stage	Housing Units
A	Total Housing Potential within development approvals process	2,716
B	Residential Intensification Factor (15%)	407
C	Vacant Residential Designated Lands Unit Yield (13 u/ha)	806
D	Total Residential Supply (A+B+C)	3,929
E	<b>Total Residential Supply Less Land Vacancy Factor<sup>1</sup> (E=D-15%)</b>	<b>3,339</b>

**Note**

<sup>1</sup>Vacancy Factor is to apply to recognize that long-term vacancy of lands may occur with sites that remain undeveloped due to physical constraints, site inactivity or unwillingness to develop lands.

The Municipality's total residential supply indicates that there are 3,339 potential housing units which includes the total number of housing units within the development approvals process, opportunities for intensification and the unit yield anticipated from vacant lands designated Residential. These findings will be compared to the Housing Forecast to generate a Housing Need to confirm whether the Municipality has a potential housing deficit or surplus.

**Housing Forecast**

The County of Middlesex retained Watson & Associates to undertake population and housing projections for local municipalities under the report entitled Middlesex County Housing Growth Forecast and Allocations by Local Municipality (2020). This report included a low scenario, reference scenario and high growth projection scenarios including a review of anticipated trends including not limited to age groups and average household size.

More recently, the Municipality of Thames Centre retained Watson & Associates to update their development charges and prepared the Development Charges Background Study (2021). As part of that exercise, **Table 3** below provides an estimate of the anticipated amount, type and location of housing units between period of 2021 and 2046.

**Table 3- Housing Unit Forecast By Location and Unit Type (2021-2046) Municipality of Thames Centre**

Development Location	Singles & Semi-Detached	Multiples <sup>1</sup>	Apartments <sup>2</sup>	Total Housing Units
Dorchester	1,282	358	256	1,897
Thorndale	602	19	30	651
Hamlets and Rural Areas	174	0	0	174
<b>Total</b>	<b>2,058</b>	<b>377</b>	<b>286</b>	<b>2,721</b>

**Notes**

<sup>1</sup>Includes townhouse and duplex units

<sup>2</sup>Includes accessory apartments, bachelor, 1-bedroom and 2-bedroom units

Source: Watson & Associates – DC Background Study 2021

Key observations from the foregoing analysis indicate:



- Dorchester is anticipated to account for over 69% of housing development for the long term which is generally consistent with the total residential housing supply, compared to 24% for Thorndale.
- Low-density residential development in the form of single and semi-detached units are anticipated to account for 75% of the total housing demand with the remaining 25% comprised of medium density residential development in the form of townhouse and apartment unit.

### **Housing Needs**

To recap, the Municipality is anticipating a housing demand of 2,721 units up to year 2046. The housing supply analysis concluded that the Municipality has 3,339 potential housing units to satisfy its future growth needs over the same period which includes potential units in the development approvals process including conceptual designs along with the development yield through vacant lands designated Residential which are not subject to the development approvals process. As such, the Municipality of Thames Centre has sufficient lands designated Residential to satisfy its future growth need for the next 25 years.

As previously indicated, the PPS requires a minimum 3-year supply of residential units available through lands suitably zoned to facilitate residential intensification and redevelopment, as well as draft approved and registered plans. Based on the average number of housing starts per year projected for the next 25 years by Watson Associates, being 109, and 784 draft approved or registered lots, the Municipality exceeds the PPS's minimum requirement yielding a 7-year supply. To provide for an appropriate range and mix of housing options and densities required to meet projected requirements of current and future residents, the PPS also required that planning authorities maintain at all times the ability to accommodate residential growth for a minimum of 15 years through residential intensification, redevelopment and in designated growth areas. Based on the average number of housing starts per year projected for the next 25 years by Watson Associates, being 109, and the total potential number of housing units in the order of 3,339, the Municipality exceeds the PPS's minimum requirement yielding a 30 year supply.

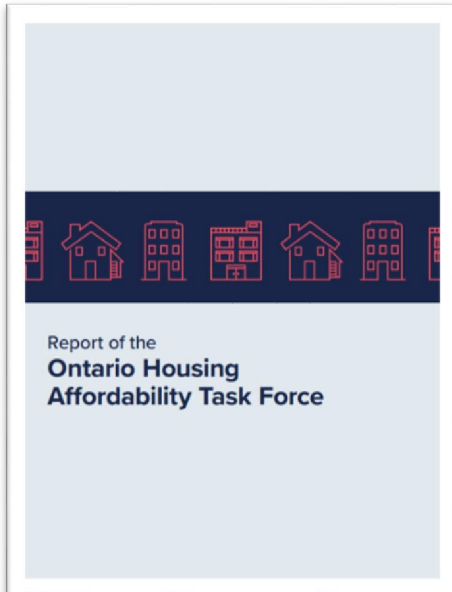
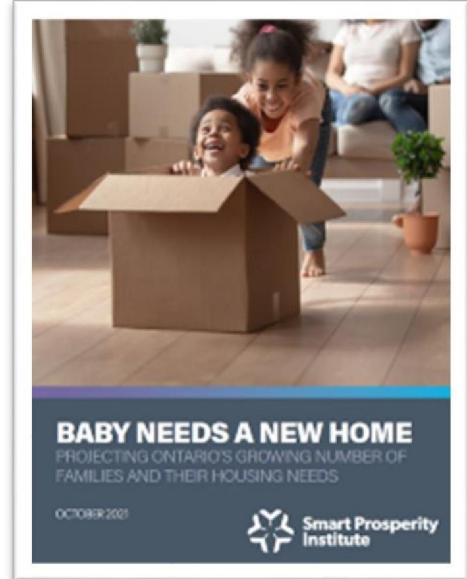
## Topics of Interest

This section will explore topics of interest related to housing policies, including new policies to be considered and the review of current policies to help inform the Official Plan Review.

### Housing Crisis

In response to the housing crisis, the Smart Prosperity Institute including Mike Moffat, Professor at Western University's Ivey Business School, authored a recent report in entitled Baby Needs A New Home – Projecting Ontario's Growing Number of Families and Their Housing Needs. It is a comprehensive report based on a projection for housing demand in Ontario. Over the next ten (10) years, this report projects that one (1) million new homes will be required considering the demand for housing has outpaced supply resulting in escalating housing prices. This trend is not limited to the GTA since it is affecting all of southern Ontario.

Following that, the Province of Ontario released a document entitled a Report of the Ontario Housing Affordability Task Force, which recommends five (5) keys areas to quickly increase the supply of market housing being 1.5 million homes over the next ten (10) years. Those key areas include:



- Make changes to planning policies and regulations to allow for greater density and increase the variety of housing
- Reduce and streamline urban design rules to lower costs of development
- Depoliticize the approvals process to address NIMBYism and cut red tape to speed up housing.
- Prevent abuse of the appeal process and address the backlog at the Ontario Land Tribunal by prioritizing cases that increase housing.
- Align efforts between all levels of government to incentivize more housing.

It remains to be seen what changes are to come about to the land use planning framework following this report.

### Promoting Housing Mix

The Municipality is currently experiencing a change with development community proposing more housing options than ever before. Historically comprised of a predominantly single-detached housing stock, the housing market has evolved in response to the housing supply shortage, escalating land prices and the need to provide a more affordable housing alternative. Despite this market response, municipalities have a role to encourage a mix and wide range of housing types. To promote that objective, it is recommended that the Municipality implement targets for low and medium residential development being 65% and 35% respectively. These targets will assist in addressing housing affordability and create a more sustainable community by having housing choices to satisfy a broad demographic and give local residents the choice to stay in the community.

Under the Thames Centre Official Plan, proposals for medium density residential uses in the form of low-rise apartments and townhouse dwellings are required to satisfy at least two of the following locational criteria: frontage on an arterial road; abut a major park; abut a commercial area; and, overall development application has a land area of at least 2 hectares (5 ac). Should two of the criteria not be satisfied, an Amendment to the Official Plan is required. Compared to other local municipalities in the County, this policy direction is the most restrictive. To further encourage a mix of housing types, existing policies should be revised to alternatively encourage these types of uses to locate in proximity to those areas and to remove the minimum area requirement. Standards governing height and density are more appropriately addressed through zoning. The remaining evaluation criteria under the Plan would continue to apply which would warrant an Amendment to the Official Plan if not met.

To further encourage a mix of housing types, it is recommended that street townhouse dwellings be allowed in a low-density residential settings similar to single-detached and semi-detached dwellings. This would be appropriate considering street townhouse dwellings offer a similar layout to single-detached or semi-detached dwellings with units facing the street including a driveway for garage access and a rear yard. Cluster townhouse dwellings which form part of a residential complex however would continue to be treated as medium density residential.

### Additional Dwelling Units

To address housing affordability, municipalities are mandated to permit additional dwelling units (ADUs) in both the primary building and an accessory building to a total of three (3) dwelling units on the same lot, following the Province's direction through an amendment to the Planning Act. For example, an existing dwelling can be converted to include a basement apartment unit as well as a dwelling unit within a detached garage. For clarity, the primary building can include a single-detached, semi-detached or townhouse dwelling. As such, the Thames Centre Official Plan needs to be amended accordingly. Currently, the Official Plan only permits second units in either the primary building or an accessory building.

### Garden Suites

Another means of addressing housing affordability is through the provision of a garden suite or granny flat, being a self-contained portable dwelling unit typically in the form of a mobile home to provide temporary accommodation for an elderly person. Currently, a garden suite is permitted through an approved temporary rezoning limited to a maximum of ten (10) years as noted in the Official Plan. The Planning Act has been amended to allow garden suites to a maximum of twenty (20) years. As such, the Official Plan should be amended accordingly.



## Recommendations and Next Steps

This discussion paper has provided a background of the current housing policy framework and a housing needs assessment to help inform the draft official plan policies for the Thames Centre OP. The following recommendations are provided to ensure conformity with the County Plan and consistency with the PPS:

- It is recommended that a housing mix targets apply in the form of 65% for low density residential development and 35% apply for medium density residential development.
- It is recommended to encourage a further mix of housing types that street townhouse dwellings be recognized as low density residential uses.
- It is recommended that to further encourage a mix of housing types, the locational criteria for medium density residential proposals for low-rise apartments and cluster townhouse dwellings be revised to alternatively encourage these types of uses to locate in adjacent to arterial roads, major parks and commercial areas as well as remove the minimum 2 hectare land requirement.
- It is recommended that policy direction be provided to allow Additional Dwelling Units (ADU) and Garden Suites/Granny Flats consistent with the direction from the Province.
- It is recommended that the definitions within the Thames Centre OP are revised if necessary and include new definitions that are laid out in the PPS and within the County Official Plan.

Questions and comments for consideration can be submitted to [mbancroft@thamescentre.on.ca](mailto:mbancroft@thamescentre.on.ca)



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